

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

WEDNESDAY, 19TH JUNE, 2019

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE on WEDNESDAY, 19TH JUNE, 2019, at 10.00 am.

PRESENT:

Chair - Councillor Austen White

Councillors Charlie Hogarth, Tosh McDonald, David Nevett and Kathryn Smart

APOLOGIES:

An apology for absence was received from the Vice-Chair, Councillor R. Allan Jones.

1 DECLARATIONS OF INTEREST, IF ANY

There were no declarations made at the meeting.

2 MINUTES OF THE MEETING HELD ON 11TH APRIL, 2019

RESOLVED that the minutes of the meeting of the Audit Committee held on 11 April, 2019 be approved as a correct record and signed by the Chair.

3 AUDIT COMMITTEE ACTION LOG

The Committee considered the Action Log which updated Members on any actions agreed at the previous meeting of the Audit Committee. Officers reported that all actions were progressing well, and the four remaining actions that on the log were on target to be completed and removed in the course of future meetings.

RESOLVED that the Audit Committee note the progress being made against the actions agreed at the previous committee meetings.

4 DAY OPPORTUNITIES FOR PEOPLE WITH LEARNING DISABILITIES AND HIGHLY COMPLEX NEEDS.

The Committee considered a report which provided an update with regard to recommendations in relation to current and future commissioning arrangements with Rotherham, Doncaster & South Humber NHS Foundation Trust (RDaSH) regarding day opportunities at the Solar Centre.

Reports had been received on a regular basis by the Audit Committee following the first notification of the circumstances regarding the future of the Solar Centre in April 2017.

Services have continued to be provided by the Council after the end of the contract, despite no contract having been set up. However, a decision has now been taken by the Cabinet at its meeting on 4 June, 2019, which provided a way forward with the following decision taken:-

- Authority was delegated to the Director of People or their deputy in consultation with the portfolio holder for adult social care to agree and sign off a 3 year Section 76 Agreement from 1 January, 2020 between the Council and the CCG; and
- Note the Contract extension of the current arrangements with the Solar Centre for a further period of up to nine months to provide continuity for those transitioning from RDASH residential care to supported living.

Members raised a few questions with regard to the report and the future in terms of the decision made, with concerns voiced that the Contract Procedure Rules would be flexible to work alongside other partners to ensure that the same objective was achieved. Members were assured that this would be the case and they would work closely to ensure a successful outcome.

Queries were also raised with regard to the possibility of bringing services in-house and whether this would be a viable option. However, the Committee were informed that the services currently provided by RDASH as they were able to support the individuals with extremely complex needs. Whilst the authority had explored the possibility of bringing some services in-house, the cost to do so would have been too much for this to be a viable option and therefore wasn't an option, as well as the fact that by leaving the services currently provided in place, it would ensure continuity for the service users.

Members asked how risks were being mitigated as this moved forward. The Committee was assured that a project plan was in place, and officers would be happy to bring a further report to the Committee, advising of progress made.

RESOLVED that the Audit Committee note the report.

## 5 ANNUAL REPORT OF THE MONITORING OFFICER.

Members considered a report that provided information on the work of the Monitoring Officer undertaken in the preceding 12 months. Appendix 1 of the Report, contained a summary that detailed all the formal complaints that had been dealt with since the last Annual Report.

The Monitoring Officer was responsible for 42 Town and Parish Councils across Doncaster, which encompassed 304 Councillors. Members could therefore see that when measured against those numbers, the number of formal complaints received was small.

Members noted from the report that one Council, Hatfield Town Council, has had continuing problems and earlier in the year those issues were brought to the Audit Hearings Sub-Committee. However, as reported previously, the sanctions available to the Committee to deal with such issues remained inadequate. Monitoring Officers have continued to press the Government to reintroduce the sanctions of suspension and exclusion in the most serious cases as the sanctions available currently were inadequate to address matters of significant bad behaviour.

With regard to the issue of sanctions, Members expressed some concern, as to what changes would possibly be made to these given that they were accountable and

appointed by the electorate and as to whether these changes would be appropriate. However, the Committee was assured that any changes would be brought to the Committee primarily and guidance would be issued as to what would be suitable for what case. Additionally, it was not solely the decision of the Monitoring Officer and the Independent Person, but also that of the Sub-Committee as to what sanction was imposed and this would always be the case.

The Monitoring Officer reported that one Whistleblowing incident was raised with the Monitoring Officer during 2018/19, which was detailed within the report.

The Chair queried whether the number of whistleblowing cases could be perceived as low and if people were actually reluctant to report anything, or if it was reflective of good practices undertaken within the Council. The Monitoring Officer felt that it was reflective of the work undertaken across the Council, and good communications had been and would be carried out again in the near future with regard to the reporting of this and the ways in which issues were dealt with in order to avoid the escalation of a problem.

RESOLVED that

- 1) The Committee note the Monitoring Officer's annual report on complaint handling activity for 2018/19;
- 2) The whistleblowing return for 2018/19 be noted; and
- 3) The nil money laundering report for 2018/19 be noted.

6 COVERT SURVEILLANCE - REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE.

Members received the Annual report, reviewing the Council's use of RIPA (Regulation of Investigatory Powers Act

The report informed Members that since the last 6 monthly update on 31 January 2019, the Council had three directed surveillance applications authorised under RIPA. Information was provided in detail on these applications within the body of the report.

Additionally, it was reported that since the last meeting of the Audit Committee, there had been an inspection by the Investigatory Powers Commissioner's Office. The inspection report was positive, and concluded by stating that 'The Council deserves considerable credit for attaining high standards of compliance'. It went on to state that following the 2016 inspection, all recommendations had been discharged, and an extensive training programme undertaken. Only two recommendations had come out of the inspection, which was positive and had been well received by the Council. These were detailed as follows:-

- Amend the RIPA Procedures Document
- Ensure Proper consideration should be given to collateral intrusion at reviews

Both of these recommendations had been addressed with further information provided within the body of the report.

On behalf of the Committee, the Chair passed on their thanks for all the good work undertaken by officers and the progress that the Council had made reflected their efforts.

RESOLVED that:

- 1) The Audit Committee note that the Council has had 3 directed surveillance applications authorised under RIPA since the last report to the Audit Committee on 31st January, 2019; and
- 2) The Audit Committee note the positive outcome and recommendations of the Investigatory Powers Commissioners Inspection of Doncaster Council on 25th March, 2019.

7 UNAUDITED STATEMENT OF ACCOUNTS 2018/19.

Members considered the Council's unaudited Statement of Accounts for the 2018/19 financial year, which highlighted the overall financial position of the Council for the year.

Whilst there was a requirement to obtain certification of the accounts by 31st July from the Chief Financial Officer, there was no longer the necessity to present them to Members at this stage. However, the Council continued the presentation of the unaudited accounts to the Committee in favour of it being good practice. The final Statement of Accounts however, would be considered at the meeting in July prior to sign off and publication.

The accounts would be subject to external audit from 1 to 28 June and it was expected that the final audit opinion would be finalised by 12 July 2019 and would be available for public scrutiny from 1 June to 12 July, 2019 and were placed on the Councils website from this date in line with the Government's policy of increased transparency.

Members were invited to make any comments or ask any questions of the Officers in relation to the report and concerns were voiced that they felt it was a very lengthy and complex report that members of the public with no knowledge of the subject would struggle to understand. It was however felt to be a good report, but just needed some greater clarity in the narrative.

Members felt there was a lot of information to include within one report but they were advised that a lot was also filtered through the four quarterly monitoring reports received by OSMC and Cabinet, which provided relevant information and updates throughout the financial year. However, officers acknowledged the points being made by Members and wold try to reflect this in future narratives.

Additional comments and questions were raised in relation to making savings in the future, with queries on bringing services in-house, environmental vehicles and the use of more modern technology to save on officer time. Members were assured that the budgets were closely monitored and now worked more closely alongside the

Children's Trust in order to keep a tighter hold on financial problems. The arrangements were proving to be working well.

The external auditor concluded by stating that as far as the Council's accounts were concerned, Doncaster Council was doing well, and it was acknowledged that their accounts were clearer than most, and the production of them ran smoothly and good progress continued to be made. He stated that they were used as examples of best practice elsewhere, e.g. for disclosures to the accounts. However, one issue that needed to be kept in sight was that of the 'McLeod judgement', which might have future impact on budgets. Grant Thornton had spoken to the Assistant Director of Finance with regard to this and further actuarial advice would be sought on this. The Chair advised that once this had been received the Committee would be updated further with regard to this.

RESOLVED that Members of the Audit Committee note the 2018/19 Unaudited Statement of Accounts.

8 AUDIT COMMITTEE PROSPECTUS, TERMS OF REFERENCE AND WORK PROGRAMME 2019/20.

The Committee considered a report that set out the formal Terms of Reference for the Audit Committee for 2019/20. These had been formally approved by Council at its annual meeting in May, and were now presented to the Committee for information.

Also contained within the report, was a Prospectus and draft work programme, which set out how the Audit Committee would fulfil its Terms of Reference throughout the Municipal Year.

The Head of Internal Audit informed Members that there had been some changes made to the Terms of Reference, which were largely in order that they were in line with CIPFA guidance.

Members were also informed that the Work plan was fluid and was in order to give an indicative guide of what they faced in the year ahead, but could change if additional pieces of work came in.

RESOLVED that:-

- 1) The Audit Committee note the Terms of Reference for the Audit Committee for the 2019/20 Municipal Year; and
- 2) The Audit Committee agreed the Prospectus, which set out the Committee's scope and standards along with its work plan for the 2019/2020 Municipal Year.

9 GRANT THORNTON - AUDIT PROGRESS REPORT AND SECTOR UPDATE.

Paul Dossett, from Grant Thornton, the Council's external Auditor was in attendance at the meeting and presented the report to the Committee. He stated that the final version of the report would be considered at the meeting in July, but the outcomes currently were positive.

The Chair thanked officers from the Council's Finance Team for all their hard work as the report commended the Council's approach to its finances and accounts

RESOLVED that the Audit Committee note the report.

10 ANNOUNCEMENT BY CHAIR

Prior to the formal closure of the meeting, the Chair brought the Committee's attention to the fact that it would be the last meeting of Steve Mawson, Chief Financial Officer and Assistant Director of Finance before he moved onto pastures new as Director of Corporate Services at Gloucestershire County Council. On behalf of the Committee, the Chair conveyed his thanks to Steve for all his hard work and effort throughout the years he had been at Doncaster Council and wished him well for the future.

CHAIR: \_\_\_\_\_

DATE: \_\_\_\_\_